

## 1996 RETAIL PLAN OVERVIEW

**PM 1995 VS. 1996  
CONTRACTS**

**PACK OUTLETS:**

**1995**

- LEVEL I \$.45 PER CARTON
- LEVEL II +\$.15 PER CARTON
- EXCLUSIVITY RDA BONUS \$.15
- NO FLEX AT LEVEL I
- SIGNAGE CALCULATION EXCLUDES  
FIXTURE SIGNAGE
- PRIMARY POSITION ADVANTAGE LANGUAGE
- EXCLUSIVITY \$.20 FLEX
- NSS RATE \$.25 PER CARTON

**1996**

- LEVEL I \$.30 PER CARTON
- LEVEL II +\$.30 PER CARTON
- EXCLUSIVITY RDA BONUS \$.15
- FLEX \$.10 ADDED TO LEVEL I
- SIGNAGE CALCULATION INCLUDES FIXTURE  
SIGNAGE
- PM VISIBILITY ADVANTAGE
- EXCLUSIVITY \$.25 FLEX
- RETAILER MUST:
  - ROTATE STOCK
  - ASSEMBLE AND PLACE DELIVERED PROMOTIONS  
AND P.O.S.
  - ORDER EXTRA INVENTORY PRIOR TO PROMOTION  
DELIVERY
  - REMOVE AND RETURN UNSALEABLES
- NSS RATE \$.15 PER CARTON

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**PM 1995 VS. 1996  
CONTRACTS**

**CARTON OUTLETS:**

**1995**

- FOUR BASIC PLANS
- FLEX FUND NOT AVAILABLE AT LEVEL I
- SIGNAGE CALCULATION EXCLUDES FIXTURE
- LEVEL I RDA \$.30
- LEVEL II RDA AT \$.45 / \$.10 FLEX
- LEVEL II PM HAS ONE OF PACK FIXTURE
- EXCLUSIVITY RDA PER CARTON + \$.15
- EXCLUSIVITY FLEX \$.25

**1996**

- TWO BASIC PLANS
- \$.10 FLEX AT LEVEL I
- SIGNAGE CALCULATION INCLUDES FIXTURES AND DISPLAYS
- LEVEL I RDA \$.30
- LEVEL II RDA AT \$.60 / \$.10 FLEX
- LEVEL II PM HAS ONLY PACK FIXTURE  
AND  
CHECKLANE DISPLAYS OR PROMOTIONAL UNIT
- LEVEL III EXCLUSIVITY RDA - \$.15 PER CARTON
- EXCLUSIVITY LEVEL I & II PLUS  
EXCLUSIVE SIGNAGE / 3 WEEK PROMOTION
- EXCLUSIVITY FLEX \$.25

\* FIXTURES LOCATED IN THE LOBBY ARE CONSIDERED NSS

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**PM 1995 VS. 1996  
CONTRACTS**

**CIGARETTE OUTLETS:**

**1995**

- LEVEL I RDA \$.30
- LEVEL II RDA +\$.15
- LEVEL III RDA +\$.15
- EXCLUSIVITY RDA +\$.15
- LEVEL I - III FLEX \$.10
- EXCLUSIVITY FLEX \$.25
- LEVEL II ONLY PM PACK FIXTURE

**1996**

- LEVEL I RDA \$.30
- LEVEL II RDA +\$.30
- EXCLUSIVITY RDA +\$.15
- LEVEL I - II FLEX \$.10
- EXCLUSIVITY FLEX \$.25
- LEVEL II ONLY PM PACK FIXTURE
- EXCLUSIVE PERMANENT PROMOTIONAL FLOOR  
DISPLAY FOR LEVEL II

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PM MASTERS COMPARISON 1996 VS 1996												
PACK OUTLETS												
Jan-95						1996						
RETAIL MASTERS - P1						RETAIL MASTERS - PS						
SELF SERVICE-PACK OUTLETS						SELF SERVICE-PACK OUTLETS						
PM WEEKLY VOLUME	LEVEL 1	LEVEL 2	EXCLUSIVITY- TOTAL RDA	PM FLEX	EXCLUSIVE FLEX	PM WEEKLY VOLUME	LEVEL 1*	LEVEL 2*	EXCLUSIVITY- MPL 3**	PM FLEX*	EXCLUSIVE FLEX**	
< 30	\$20	\$0	\$0	\$0	\$0	< 30	\$20	\$0	\$0	\$0	\$0	
30-48	\$40	\$0	\$0	\$0	\$0	30-48	\$40	\$0	\$0	\$0	\$0	
49-64	\$110	\$147	\$171	\$24	\$48	49-64	\$73	\$147	\$183	\$24	\$90	
65-77	\$138	\$184	\$215	\$31	\$62	65-77	\$92	\$184	\$231	\$31	\$78	
78-89	\$163	\$217	\$253	\$36	\$72	78-89	\$108	\$217	\$271	\$36	\$90	
90-103	\$188	\$251	\$293	\$42	\$84	90-103	\$125	\$251	\$314	\$42	\$105	
104-122	\$220	\$293	\$342	\$49	\$98	104-122	\$147	\$293	\$367	\$49	\$123	
123-146	\$262	\$349	\$407	\$58	\$116	123-146	\$175	\$349	\$438	\$58	\$145	
147-177	\$316	\$421	\$491	\$70	\$140	147-177	\$240	\$421	\$628	\$70	\$175	
178-210	\$378	\$504	\$588	\$84	\$168	178-210	\$252	\$504	\$630	\$84	\$210	
211-255	\$454	\$605	\$705	\$100	\$200	211-255	\$303	\$605	\$756	\$100	\$250	
256-304	\$454	\$605	\$726	\$121	\$242	256-304	\$364	\$727	\$909	\$121	\$303	
305-367	\$454	\$605	\$750	\$145	\$290	305-367	\$364	\$727	\$916	\$145	\$363	
368-438	\$454	\$605	\$779	\$174	\$348	368-438	\$364	\$727	\$908	\$174	\$435	
439-527	\$454	\$605	\$814	\$209	\$418	439-527	\$364	\$727	\$1,014	\$209	\$523	
528-630	\$454	\$605	\$855	\$250	\$500	528-630	\$364	\$727	\$1,102	\$250	\$675	
631-759	\$454	\$605	\$905	\$300	\$600	631-759	\$364	\$727	\$1,177	\$300	\$750	
760-908	\$454	\$605	\$966	\$361	\$722	760-908	\$364	\$727	\$1,280	\$361	\$903	
909-1093	\$454	\$605	\$1,038	\$433	\$866	909-1093	\$364	\$727	\$1,377	\$433	\$1,083	
1094-1308	\$454	\$605	\$1,125	\$520	\$1,040	1094-1308	\$364	\$727	\$1,507	\$520	\$1,300	
1309-1573	\$454	\$605	\$1,228	\$623	\$1,246	1309-1573	\$364	\$727	\$1,662	\$623	\$1,558	
1574-1886	\$454	\$605	\$1,354	\$749	\$1,498	1574-1886	\$364	\$727	\$1,851	\$749	\$1,873	
1887-2265	\$454	\$605	\$1,503	\$898	\$1,796	1887-2265	\$364	\$727	\$2,074	\$898	\$2,245	
2266-2716	\$454	\$605	\$1,683	\$1,078	\$2,156	2266-2716	\$364	\$727	\$2,344	\$1,078	\$2,695	
2717-3261	\$454	\$605	\$1,899	\$1,294	\$2,588	2717-3261	\$364	\$727	\$2,698	\$1,294	\$3,235	
3262-3912	\$454	\$605	\$2,158	\$1,553	\$3,106	3262-3912	\$364	\$727	\$3,057	\$1,553	\$3,883	
3913-4695	\$454	\$605	\$2,468	\$1,863	\$3,726	3913-4695	\$364	\$727	\$3,622	\$1,863	\$4,658	
4696-5634	\$454	\$605	\$2,841	\$2,236	\$4,472	4696-5634	\$364	\$727	\$4,061	\$2,236	\$5,590	
5635-7031	\$454	\$605	\$3,347	\$2,742	\$5,484	5635-7031	\$364	\$727	\$4,840	\$2,742	\$6,855	
7032-7842	\$454	\$605	\$3,825	\$3,220	\$6,440	7032-7842	\$364	\$727	\$6,657	\$3,220	\$8,050	
7843-10007	\$454	\$605	\$4,469	\$3,864	\$7,728	7843-10007	\$364	\$727	\$6,623	\$3,864	\$9,660	
10008-11412	\$454	\$605	\$5,242	\$4,637	\$9,274	10008-11412	\$364	\$727	\$7,683	\$4,637	\$11,593	
11413-14291	\$454	\$605	\$6,169	\$5,564	\$11,128	11413-14291	\$364	\$727	\$9,073	\$5,564	\$13,910	
	.45	.60	.70	.10	.20		.30	.60	.75	.10	.25	
SUMMARY OF CHANGES:						CHANGE FROM 1995						
1- CONTRACT PAYMENT CAP EXTENDED - NEW MAX PAYMENT IN PACK OUTLETS IS \$727												
2- EXCLUSIVITY CONTRACT PAYMENT INCREASED BY .05 PER CARTON												
3- FLEX FUND FOR EXCLUSIVE ACCOUNTS INCREASES FROM .20 TO .25 PER CARTON												
4- ACCOUNTS QUALIFY FOR FLEX AT MPL 1 IN 1996												
5- ALL MPL 1 RDA'S REDUCED IN 1996 COMPARED TO 1995. FUNDING SHIFTED TO EXCLUSIVITY.												
6- MPL 1 PAYMENT CAP REDUCED FROM \$454 TO \$364												
1167 15816												

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PM MASTERS COMPARISON 1995 VS 1996												
PACK OUTLETS												
Jan-95						1996						
RETAIL MASTERS - P2						RETAIL MASTERS - PN						
NON SELF SERVICE-PACK OUTLETS						NON SELF SERVICE-PACK OUTLETS						
PM WEEKLY VOLUME	LEVEL 1	LEVEL 2	EXCLUSIVITY- TOTAL RDA	PM FLEX	EXCLUSIVE FLEX	PM WEEKLY VOLUME	LEVEL 1*	LEVEL 2*	EXCLUSIVITY- MPL 3**	PM FLEX*	EXCLUSIVE FLEX**	
< 30	\$0	\$0	\$0	\$0	\$0	< 30	\$0	\$0	\$0	\$0	\$0	
30-48	\$0	\$0	\$0	\$0	\$0	30-48	\$0	\$0	\$0	\$0	\$0	
49-64	\$61	\$98	\$122	\$24	\$48	49-64	\$37	\$74	\$110	\$24	\$40	
65-77	\$77	\$123	\$154	\$31	\$62	65-77	\$46	\$92	\$139	\$31	\$78	
78-89	\$90	\$144	\$180	\$36	\$72	78-89	\$54	\$108	\$162	\$36	\$90	
90-103	\$104	\$167	\$209	\$42	\$84	90-103	\$63	\$126	\$189	\$42	\$105	
104-122	\$122	\$195	\$244	\$49	\$98	104-122	\$73	\$146	\$220	\$49	\$123	
123-146	\$146	\$233	\$291	\$58	\$116	123-146	\$87	\$174	\$261	\$58	\$146	
147-177	\$175	\$280	\$350	\$70	\$140	147-177	\$105	\$210	\$315	\$70	\$175	
178-210	\$210	\$336	\$420	\$84	\$168	178-210	\$126	\$252	\$378	\$84	\$210	
211-255	\$252	\$403	\$503	\$100	\$200	211-255	\$151	\$302	\$452	\$100	\$250	
256-304	\$252	\$403	\$524	\$121	\$242	256-304	\$182	\$364	\$546	\$121	\$303	
305-367	\$252	\$403	\$548	\$145	\$290	305-367	\$182	\$364	\$546	\$145	\$303	
368-438	\$252	\$403	\$577	\$174	\$348	368-438	\$182	\$364	\$546	\$174	\$345	
439-527	\$252	\$403	\$612	\$209	\$418	439-527	\$182	\$364	\$546	\$209	\$523	
528-630	\$252	\$403	\$653	\$250	\$500	528-630	\$182	\$364	\$546	\$250	\$525	
631-759	\$252	\$403	\$703	\$300	\$600	631-759	\$182	\$364	\$546	\$300	\$750	
760-908	\$252	\$403	\$764	\$361	\$722	760-908	\$182	\$364	\$546	\$361	\$903	
909-1093	\$252	\$403	\$836	\$433	\$866	909-1093	\$182	\$364	\$546	\$433	\$1,083	
1094-1308	\$252	\$403	\$923	\$520	\$1,040	1094-1308	\$182	\$364	\$546	\$520	\$1,300	
1309-1573	\$252	\$403	\$1,026	\$623	\$1,246	1309-1573	\$182	\$364	\$546	\$623	\$1,558	
1574-1886	\$252	\$403	\$1,152	\$749	\$1,498	1574-1886	\$182	\$364	\$546	\$749	\$1,873	
1887-2265	\$252	\$403	\$1,301	\$898	\$1,796	1887-2265	\$182	\$364	\$546	\$898	\$2,245	
2266-2716	\$252	\$403	\$1,481	\$1,078	\$2,156	2266-2716	\$182	\$364	\$546	\$1,078	\$2,695	
2717-3261	\$252	\$403	\$1,697	\$1,294	\$2,588	2717-3261	\$182	\$364	\$546	\$1,294	\$3,235	
3262-3912	\$252	\$403	\$1,956	\$1,553	\$3,106	3262-3912	\$182	\$364	\$546	\$1,553	\$3,883	
3913-4695	\$252	\$403	\$2,266	\$1,863	\$3,726	3913-4695	\$182	\$364	\$546	\$1,863	\$4,658	
4696-5634	\$252	\$403	\$2,639	\$2,236	\$4,472	4696-5634	\$182	\$364	\$546	\$2,236	\$5,590	
5635-7031	\$252	\$403	\$3,145	\$2,742	\$5,484	5635-7031	\$182	\$364	\$546	\$2,742	\$6,855	
7032-7842	\$252	\$403	\$3,623	\$3,220	\$6,440	7032-7842	\$182	\$364	\$546	\$3,220	\$8,050	
7843-10007	\$252	\$403	\$4,267	\$3,864	\$7,728	7843-10007	\$182	\$364	\$546	\$3,864	\$9,680	
10008-11412	\$252	\$403	\$5,040	\$4,637	\$9,274	10008-11412	\$182	\$364	\$546	\$4,637	\$11,593	
11413-14291	\$252	\$403	\$5,967	\$5,564	\$11,128	11413-14291	\$182	\$364	\$546	\$5,564	\$13,810	
	.25	.40	.55	.10	.20		.15	.30	.45	.10	.25	
SUMMARY OF CHANGES:												
1- NSS CONTRACT PAYMENT CAP REDUCED FROM \$252/\$403 TO \$182/\$364 FOR MPL 1 & 2 RESPECTIVELY.												
2- EXCLUSIVITY CONTRACT PAYMENT HAS NO CAP.												
3- REDUCTION IN NSS RATES INCURRED AT .10 PER CARTON FROM PREVIOUS MPL 1 RATE.												
4- ACCOUNTS QUALIFY FOR FLEX AT MPL 1 IN 1996												
- CHANGE FROM 1995												

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PM MASTERS COMPARISON														
1995 VS 1996														
CARTON OUTLETS														
1995								1996						
RETAIL MASTERS - C1								RETAIL MASTERS - CS						
SELF SERVICE-CARTON OUTLETS								SELF SERVICE-CARTON OUTLETS						
PM WEEKLY VOLUME	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EXCLUSIVITY-TOTAL RDA	PM FLEX	EXCLUSIVE FLEX	PM WEEKLY VOLUME	LEVEL 1*	LEVEL 2*	EXCLUSIVITY-MPL 3**	PM FLEX*	EXCLUSIVE FLEX**	
< 76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	< 76	\$0	\$0	\$0	\$0	\$0	
76-95	\$111	\$167	\$167	\$223	\$260	\$37	\$74	76-95	\$111	\$223	\$279	\$37	\$88	
96-120	\$140	\$210	\$210	\$280	\$327	\$47	\$94	96-120	\$140	\$280	\$351	\$47	\$118	
121-150	\$176	\$264	\$264	\$352	\$411	\$59	\$118	121-150	\$176	\$352	\$441	\$59	\$148	
151-190	\$331	\$332	\$332	\$443	\$517	\$74	\$148	151-190	\$221	\$443	\$554	\$74	\$165	
191-240	\$280	\$420	\$420	\$560	\$653	\$93	\$186	191-240	\$280	\$560	\$770	\$93	\$233	
241-300	\$351	\$527	\$527	\$703	\$820	\$117	\$234	241-300	\$351	\$703	\$879	\$117	\$293	
301-377	\$440	\$660	\$660	\$880	\$1,027	\$147	\$294	301-377	\$440	\$880	\$1,101	\$147	\$308	
378-469	\$440	\$660	\$660	\$880	\$1,063	\$183	\$366	378-469	\$550	\$1,100	\$1,375	\$183	\$458	
470-586	\$440	\$660	\$660	\$880	\$1,108	\$228	\$456	470-586	\$550	\$1,100	\$1,442	\$228	\$570	
587-733	\$440	\$660	\$660	\$880	\$1,165	\$285	\$570	587-733	\$550	\$1,100	\$1,626	\$285	\$713	
734-916	\$440	\$660	\$660	\$880	\$1,237	\$357	\$714	734-916	\$550	\$1,100	\$1,836	\$357	\$893	
917-1146	\$440	\$660	\$660	\$880	\$1,326	\$446	\$892	917-1146	\$550	\$1,100	\$1,769	\$446	\$1,115	
1147-1432	\$440	\$660	\$660	\$880	\$1,438	\$558	\$1,116	1147-1432	\$550	\$1,100	\$1,937	\$558	\$1,296	
1433-1790	\$440	\$660	\$660	\$880	\$1,577	\$697	\$1,394	1433-1790	\$550	\$1,100	\$2,146	\$697	\$1,743	
1791-2238	\$440	\$660	\$660	\$880	\$1,752	\$872	\$1,744	1791-2238	\$550	\$1,100	\$2,408	\$872	\$2,180	
2239-2798	\$440	\$660	\$660	\$880	\$1,970	\$1,090	\$2,180	2239-2798	\$550	\$1,100	\$2,735	\$1,090	\$2,725	
2799-3497	\$440	\$660	\$660	\$880	\$2,243	\$1,363	\$2,726	2799-3497	\$550	\$1,100	\$3,145	\$1,363	\$3,408	
3498-4372	\$440	\$660	\$660	\$880	\$2,583	\$1,703	\$3,406	3498-4372	\$550	\$1,100	\$3,656	\$1,703	\$4,258	
4373-5464	\$440	\$660	\$660	\$880	\$3,009	\$2,129	\$4,258	4373-5464	\$550	\$1,100	\$4,294	\$2,129	\$5,323	
5465-6831	\$440	\$660	\$660	\$880	\$3,542	\$2,662	\$5,324	5465-6831	\$550	\$1,100	\$5,093	\$2,662	\$6,655	
6832-8538	\$440	\$660	\$660	\$880	\$4,207	\$3,327	\$6,654	6832-8538	\$550	\$1,100	\$6,091	\$3,327	\$8,318	
8539-10674	\$440	\$660	\$660	\$880	\$5,039	\$4,159	\$8,318	8539-10674	\$550	\$1,100	\$7,439	\$4,159	\$10,398	
10675-13341	\$440	\$660	\$660	\$880	\$6,079	\$5,199	\$10,398	10675-13341	\$550	\$1,100	\$8,869	\$5,199	\$12,998	
13342-16678	\$440	\$660	\$660	\$880	\$7,379	\$6,499	\$12,998	13342-16678	\$550	\$1,100	\$10,848	\$6,499	\$18,248	
16679-20847	\$440	\$660	\$660	\$880	\$9,004	\$8,124	\$16,248	16679-20847	\$550	\$1,100	\$13,290	\$8,124	\$20,310	
20848-26059	\$440	\$660	\$660	\$880	\$11,035	\$10,155	\$20,310	20848-26059	\$550	\$1,100	\$16,333	\$10,155	\$25,398	
.30	.15	.15	.60	.75	.10	.20		.30	.30	.75	.10	.25		
SUMMARY OF CHANGES:														
1- 1996 MPL 2 PAYMENTS CHANGED TO COINCIDE WITH 1995 MPL 4.														
2- 1996 MPL 1 CAP RAISED FROM \$440 TO \$550.														
3- NON-EXCLUSIVE CAP RAISED FROM \$880 TO \$1100.														
4- MPL 1 QUALIFIES FOR FLEX.														

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PM MASTERS COMPARISON														
1996 VS 1995														
CARTON OUTLETS														
1995								1996						
RETAIL MASTERS - C4								RETAIL MASTERS - CS						
LIMITED SS-CARTON OUTLETS								LIMITED SS/NSS-CARTON OUTLETS						
PM WEEKLY VOLUME	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	EXCLUSIVITY- TOTAL RDA	PM FLEX	EXCLUSIVE FLEX	PM WEEKLY VOLUME	LEVEL 4 1*	LEVEL 2*	EXCLUSIVITY- MPL 3**	PM FLEX*	EXCLUSIVE FLEX**	
< 76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	< 76	\$0	\$0	\$0	\$0	\$0	
76-95	\$74	\$130	\$130	\$188	\$223	\$37	\$74	76-95	\$74	1 \$189	\$242	\$37	\$103	
96-120	\$94	\$164	\$164	\$234	\$281	\$47	\$94	96-120	\$94	\$234	\$309	\$47	\$118	
121-150	\$117	\$205	\$205	\$293	\$352	\$59	\$118	121-150	\$117	\$239	\$382	\$59	\$149	
151-190	\$148	\$259	\$259	\$370	\$444	\$74	\$148	151-190	\$148	\$370	\$481	\$74	\$195	
191-240	\$187	\$327	\$327	\$467	\$560	\$93	\$188	191-240	\$187	\$467	\$607	\$93	\$233	
241-300	\$234	\$410	\$410	\$588	\$703	\$117	\$234	241-300	\$234	\$588	\$762	\$117	\$293	
301-377	\$294	\$514	\$514	\$734	\$881	\$147	\$294	301-377	\$294	\$734	\$955	\$147	\$368	
378-469	\$294	\$514	\$514	\$734	\$917	\$183	\$368	378-469	2 \$367	3 \$918	\$1,183	\$183	\$458	
470-586	\$294	\$514	\$514	\$734	\$962	\$228	\$458	470-586	\$367	\$918	\$1,260	\$228	\$570	
587-733	\$294	\$514	\$514	\$734	\$1,019	\$285	\$570	587-733	\$367	\$918	\$1,346	\$285	\$713	
734-916	\$294	\$514	\$514	\$734	\$1,091	\$357	\$714	734-916	\$367	\$918	\$1,454	\$357	\$833	
917-1146	\$294	\$514	\$514	\$734	\$1,180	\$448	\$892	917-1146	\$367	\$918	\$1,587	\$448	\$1,115	
1147-1432	\$294	\$514	\$514	\$734	\$1,292	\$558	\$1,116	1147-1432	\$367	\$918	\$1,755	\$558	\$1,365	
1433-1790	\$294	\$514	\$514	\$734	\$1,431	\$697	\$1,394	1433-1790	\$367	\$918	\$1,964	\$697	\$1,743	
1791-2238	\$294	\$514	\$514	\$734	\$1,606	\$872	\$1,744	1791-2238	\$367	\$918	\$2,228	\$872	\$2,180	
2239-2798	\$294	\$514	\$514	\$734	\$1,824	\$1,090	\$2,180	2239-2798	\$367	\$918	\$2,553	\$1,090	\$2,725	
2799-3497	\$294	\$514	\$514	\$734	\$2,097	\$1,383	\$2,728	2799-3497	\$367	\$918	\$2,963	\$1,383	\$3,408	
3498-4372	\$294	\$514	\$514	\$734	\$2,437	\$1,703	\$3,406	3498-4372	\$367	\$918	\$3,473	\$1,703	\$4,298	
4373-5464	\$294	\$514	\$514	\$734	\$2,863	\$2,129	\$4,258	4373-5464	\$367	\$918	\$4,112	\$2,129	\$5,323	
5465-6831	\$294	\$514	\$514	\$734	\$3,396	\$2,662	\$5,324	5465-6831	\$367	\$918	\$4,911	\$2,662	\$6,655	
6832-8538	\$294	\$514	\$514	\$734	\$4,061	\$3,327	\$6,654	6832-8538	\$367	\$918	\$5,909	\$3,327	\$8,318	
8539-10674	\$294	\$514	\$514	\$734	\$4,893	\$4,159	\$8,318	8539-10674	\$367	\$918	\$7,157	\$4,159	\$10,398	
10675-13341	\$294	\$514	\$514	\$734	\$5,933	\$5,199	\$10,398	10675-13341	\$367	\$918	\$8,717	\$5,199	\$12,899	
13342-16678	\$294	\$514	\$514	\$734	\$7,233	\$6,499	\$12,898	13342-16678	\$367	\$918	\$10,667	\$6,499	\$16,248	
16679-20847	\$294	\$514	\$514	\$734	\$8,858	\$8,124	\$16,248	16679-20847	\$367	\$918	\$13,104	\$8,124	\$20,310	
20848-26059	\$294	\$514	\$514	\$734	\$10,889	\$10,155	\$20,310	20848-26059	\$367	\$918	\$16,151	\$10,155	\$25,388	
.20	.15	.15	.50	.65	.10	.20	.20	.20	.30	.65	.10	.25		
SUMMARY OF CHANGES:														
1- 1996 MPL 2 PAYMENTS CHANGED TO COINCIDE WITH 1995 MPL 4.														
2- 1996 MPL 1 CAP RAISED FROM \$294 TO \$367.														
3- NON-EXCLUSIVE CAP RAISED FROM \$734 TO \$918.														
4- MPL 1 QUALIFIES FOR FLEX.														

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PM MASTERS COMPARISON														
1995 VS 1996														
Jan-95					TOBACCO STORES					1996				
RETAIL MASTERS - TS					RETAIL MASTERS - CT									
SELF SERVICE CARTON TOBACCO STORES								SELF SERVICE CARTON TOBACCO STORES						
PM WEEKLY	LEVEL	LEVEL	LEVEL	LEVEL	EXCLUSIVITY-	PM	EXCLUSIVE	PM WEEKLY	LEVEL	LEVEL	EXCLUSIVITY-	PM	EXCLUSIVE	
VOLUME	1	2	3	4	TOTAL RDA	FLEX	FLEX	VOLUME	1*	2*	MPL 3**	FLEX*	FLEX**	
< 76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	< 76	\$0	\$0	\$0	\$0	\$0	
76-95	\$111	\$167	\$167	\$223	\$260	\$37	\$74	76-95	\$111	\$223	\$279	\$37	\$93	
96-120	\$140	\$210	\$210	\$280	\$327	\$47	\$94	96-120	\$140	\$280	\$351	\$47	\$118	
121-150	\$176	\$264	\$264	\$352	\$411	\$59	\$118	121-150	\$176	\$352	\$441	\$59	\$148	
151-190	\$331	\$332	\$332	\$443	\$517	\$74	\$148	151-190	\$221	\$443	\$554	\$74	\$185	
191-240	\$280	\$420	\$420	\$560	\$653	\$93	\$186	191-240	\$280	\$560	\$700	\$93	\$233	
241-300	\$351	\$527	\$527	\$703	\$820	\$117	\$234	241-300	\$351	\$703	\$879	\$117	\$283	
301-377	\$440	\$660	\$660	\$880	\$1,027	\$147	\$294	301-377	\$440	\$880	\$1,101	\$147	\$388	
378-469	\$440	\$660	\$660	\$880	\$1,063	\$183	\$366	378-469	\$550	\$1,100	\$1,375	\$183	\$458	
470-586	\$440	\$660	\$660	\$880	\$1,108	\$228	\$456	470-586	\$550	\$1,100	\$1,442	\$228	\$570	
587-733	\$440	\$660	\$660	\$880	\$1,165	\$285	\$570	587-733	\$550	\$1,100	\$1,528	\$285	\$713	
734-916	\$440	\$660	\$660	\$880	\$1,237	\$357	\$714	734-916	\$550	\$1,100	\$1,638	\$357	\$893	
917-1146	\$440	\$660	\$660	\$880	\$1,326	\$446	\$892	917-1146	\$550	\$1,100	\$1,769	\$446	\$1,115	
1147-1432	\$440	\$660	\$660	\$880	\$1,438	\$558	\$1,116	1147-1432	\$550	\$1,100	\$1,907	\$558	\$1,385	
1433-1790	\$440	\$660	\$660	\$880	\$1,577	\$697	\$1,394	1433-1790	\$550	\$1,100	\$2,146	\$697	\$1,743	
1791-2238	\$440	\$660	\$660	\$880	\$1,752	\$872	\$1,744	1791-2238	\$550	\$1,100	\$2,408	\$872	\$2,180	
2239-2798	\$440	\$660	\$660	\$880	\$1,970	\$1,090	\$2,180	2239-2798	\$550	\$1,100	\$2,736	\$1,090	\$2,725	
2799-3497	\$440	\$660	\$660	\$880	\$2,243	\$1,363	\$2,726	2799-3497	\$550	\$1,100	\$3,145	\$1,363	\$3,408	
3498-4372	\$440	\$660	\$660	\$880	\$2,583	\$1,703	\$3,408	3498-4372	\$550	\$1,100	\$3,655	\$1,703	\$4,268	
4373-5464	\$440	\$660	\$660	\$880	\$3,009	\$2,129	\$4,258	4373-5464	\$550	\$1,100	\$4,204	\$2,129	\$5,323	
5465-6831	\$440	\$660	\$660	\$880	\$3,542	\$2,662	\$5,324	5465-6831	\$550	\$1,100	\$5,093	\$2,662	\$6,655	
6832-8538	\$440	\$660	\$660	\$880	\$4,207	\$3,327	\$6,654	6832-8538	\$550	\$1,100	\$6,091	\$3,327	\$8,318	
8539-10674	\$440	\$660	\$660	\$880	\$5,039	\$4,159	\$8,318	8539-10674	\$550	\$1,100	\$7,339	\$4,159	\$10,398	
10675-13341	\$440	\$660	\$660	\$880	\$6,079	\$5,199	\$10,398	10675-13341	\$550	\$1,100	\$8,869	\$5,199	\$12,998	
13342-16678	\$440	\$660	\$660	\$880	\$7,379	\$6,499	\$12,998	13342-16678	\$550	\$1,100	\$10,849	\$6,499	\$18,248	
16679-20847	\$440	\$660	\$660	\$880	\$9,004	\$8,124	\$16,248	16679-20847	\$550	\$1,100	\$13,288	\$8,124	\$20,310	
20848-26059	\$440	\$660	\$660	\$880	\$11,035	\$10,155	\$20,310	20848-26059	\$550	\$1,100	\$16,333	\$10,155	\$25,988	
.30	.15	.15	.60	.75	.10	.20		.30	.30	.75	.10	.25		
SUMMARY OF CHANGES:														
SAME GRID AS SELF SERVICE CARTON FOR 1995 AND 1996.														
1- 1996 MPL 2 PAYMENTS CHANGED TO COINCIDE WITH 1995 MPL 4.														
2- 1996 MPL 1 CAP RAISED FROM \$440 TO \$550.														
3- NON-EXCLUSIVE CAP RAISED FROM \$880 TO \$1100.														
4- MPL 1 QUALIFIES FOR FLEX.														

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## 1996 MERCHANDISING

### BROAD COMPANY OBJECTIVES:

	<u>PM (\$293)</u>	<u>BAT (\$140)</u>	<u>RJR (\$170)</u>
• <u>PACK</u>	<p>REDUCTION OF DISPLAYS AND CLUTTER. CLEAR VISIBILITY / POSITION ADVANTAGE INCLUDING EXCLUSIVITY:</p> <p>- 3 FOOTPRINTS</p>	<p>SOLID SECONDARY POSITION AND INSURANCE THAT IF ONLY 4-6 FOOTPRINTS ARE VIABLE THEY ARE AT LEAST <u>ONE</u> OF THOSE PLAYERS</p>	<p>SOLID SECONDARY POSITION. INSURANCE IF ONLY 4-6 FP'S WILL EXIST WE ARE 2 TO 3 OF THOSE FOOTPRINTS:</p> <p>- TWO FP / ONE SAV.</p>
• <u>CARTON</u>	<p>EXCLUSIVE INDUSTRY PACKAGE FIXTURES <u>AND</u> CHECKLANE DISPLAYS. PROMINENT POSITION ON CARTON FIXTURES WITH BOTH SPACE TO SHARE AND DOMINANT ADVERTISING:</p> <p>- DOUBLE EXCLUSIVITY</p>	<p>SUFFICIENT SPACE TO SHARE ON PACK AND CARTON FIXTURES IN 2ND OR 3RD POSITION. PLATFORM TO DISCOUNT FROM</p>	<p>PRIMARY / PROMINENT PACK AND CARTON POSITION WITH SPACE EQUAL TO S.O.M. PLATFORM TO PRICE GAP / PROMOTE FROM BRAND COMMUNICATION CAPABILITY</p>
	(\$443)	(\$180)	(\$338)

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**1996 TRADE PLAN ROLL-UP  
OCTOBER 3, 1995**

**RETAIL TRADE: (MERCHANDISING)**

**OBJECTIVES:**

- IMPROVE QUALITY OF UNIVERSE AND OVERALL CIV COVERAGE FOR RJR'S IMMEDIATE AND LONGER TERM GROWTH OBJECTIVES.

**STRATEGIES:**

- BUNDLE TOTAL RJR SPENDING INTO "RETAIL PARTNERS MARKETING PLAN"
- ESTABLISH NATIONAL OBJECTIVES ON CIV COVERAGE AND QUALITY LEVELS
- EXECUTE THE STRATEGY VERSUS THE BUDGET
- SIGNIFICANTLY ADVANTAGE OUR RETAIL PARTNERS TO ACHIEVE UNIVERSE NEEDS

**1996 TRADE PLAN ROLL-UP  
OCTOBER 3, 1995**

**RETAIL TRADE (ACCRUAL PROGRAM):**

**OBJECTIVES:**

- SIGNIFICANTLY INCREASE LEVEL OF BUSINESS BUILDING EQUITY PROMOTION IN PACK OUTLETS VERSUS DISCOUNTING
- INCREASE UNIVERSE FROM 63M OUTLETS IN 1995 TO 101M IN 1996
- ENSURE RETAILER PERCEIVED POINT-OF-DIFFERENCE IN PACK OUTLETS
- SIGNIFICANTLY INCREASE CUSTOMIZED DIRECT MARKETING EFFORTS IN TOP 100 CHAINS
- LEVERAGE TO BUILD PARTNERSHIPS AND FEND OFF PM EXCLUSIVITY

**STRATEGIES:**

- UNIVERSE BASE ACCRUAL FUNDS FOR PRE-DETERMINED PACK OUTLET PROMOTIONS
- LEVERAGE DOLLARS FOR MULTIPACK PRICING OFFERS AND CARTON DISCOUNTING IN CARTON OUTLETS
- LEVERAGE DOLLARS FOR DEFENSIVE PRICING IN CIGARETTE OUTLETS
- TIE ACCRUAL RATES TO MERCHANDISING PRESENCE IN ADDITION TO EDLP